

NOV 16 1961

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 633.
FILED, OCTOBER 26th. 1961.

STANWELL OIL AND GAS LIMITED

Province of Ontario. Full corporate name of Company
Incorporated 11th June, 1945. Part XI
Companies Act. By Supplementary Letters Patent - 12th May, 1952.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 77.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Stanwell has purchased 542,860 common shares of Lincoln Hotels Limited of Lincoln, Eng. for \$265,662.16; this being at the rate of 3s.4d. per share. \$7,095.88 expenses were incurred for the following:- Valuating Surveyor, Legal Fees, Auditing Fees and Brokers Services in making the offer to all shareholders. See Schedule "A" at Page 2 for details.	
2. Head office address and any other office address.	Suite 401, 67 Richmond Street West, Toronto, Ontario.	
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	PRESIDENT AND A DIRECTOR	- C. Douglas Cameron, 20 DeForest Road, Toronto 3, Ont. Mining and Petroleum Company Executive.
	VICE-PRESIDENT AND A DIRECTOR	- Edward E. Noonan, 5 DuMaurier Blvd., Toronto, Ontario. Treasurer of Van der Hout Enterprises Limited.
	SECRETARY-TREASURER AND A DIRECTOR	- E. Franklin Furniss, 39 Marydon Crescent, Agincourt, Ont. Mining and Oil Company Executive.
	DIRECTOR	- Geoffrey C. Teuten, Adlington House, The Barton, Cobham, Surrey, Eng. A partner in Earnshaw Haes & Sons, members of the London Stock Exchange, England.
	DIRECTOR	- Maurice Moss, 8 Green St., Mayfair, Park Lane, London, W.1, Eng. A member of one of Lloyds of Eng. Underwriting Group, A Director of Guardian Eastern Insurance Co. of London, Eng. and a Director of several Textile Manufacturing firms in Manchester, Eng.
	DIRECTOR	- R. Charles Ayling, 17 DeForest Road, Toronto 3, Ont. Has been retired for the past five years, and was formerly, for many years, one of the Executives at The T. Eaton Company.
	DIRECTOR	- Percy Waxer, 327 Courtleigh Boulevard, Toronto, Ont. Secretary-Treasurer of Stuyvesant-North Limited.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 4,000,000 shares having a par value of \$1.00 each. Issued and fully paid for - 3,733,334.	
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.	
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None.	
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None	
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	£1,250 Os.Od. (Cdn. \$3,632.81) Astaire & Co., Swan Chambers, Moorgate, London, E.C.2, Eng. -- and Stock Exchange, London. £1,600 Os.Od. (Cdn. \$4,652.00) G. Ross & Co. Ltd., Balfour House, 119/125 Finsbury Pavement, London, E.C.2, England.	
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	It is proposed that Lincoln Hotels Limited will consider the possibilities of extending its hotel interest by erecting a motor hotel or motor hotels in England, and that Stanwell would consider the possibility of participating in this expansion of Lincoln Hotels Limited by reason of its shareholdings, or further shareholdings. Stanwell intends to participate in the drilling of further test wells for oil and natural gas in Western Canada on acreage jointly owned with British American Oil Co. and Hunt Oil Co.	

Stanwell acquired 542,860 common shares of Lincoln Hotels Limited of Lincoln, England, by means of making an offer to all of the Lincoln Hotels shareholders to purchase their shares at 3s. 4¹/₂d; the offer being good for the month of September, 1961. 262 shareholders turned over their shares to Stanwell under this offer. Lincoln Hotels shares are listed on the London, England, Stock Exchange, with shares being currently traded at 3s. 9d. This transaction is entirely at arms-length.

Prior to the closing date of the offer, the 30th September, 1961, further acceptances covering 28,866 shares had been received, but due to certain technical faults were returned to the shareholders for amendment, or held by our London Brokers awaiting registration of probate in respect of deceased shareholders. If and when these deficiencies have been cured, Stanwell will take delivery of these shares against payment at the rate of 3s. 4¹/₂d. per share; and this will complete the deal.

Lincoln Hotels Limited is a public company having an authorized capital of Ninety Thousand Pounds divided into Fifty Thousand Pounds in common stock shares of 1s. 0d. each (1,000,000 common shares) and Forty Thousand Pounds (£40,000) 5% accumulative preference shares (800,000 preference shares) of 1s. 0d. each. All the said common stock shares are issued and fully paid and none of the said Preference shares have been issued. The common shares are listed on the London, England, Stock Exchange.

Lincoln Hotels own and operate the White Hart Hotel in the City of Lincoln, England, and also own and operate the wine and spirit business of Whitton and Ashley (Est. 1812) which carries on a wholesale and retail business in the City of Lincoln.

For the year ended 31st October, 1960, Lincoln Hotels Limited declared a dividend of 17¹/₂%.

Stanwell own 54% of the outstanding share capital of Lincoln Hotels Limited with the last four persons in the following list of Directors of Lincoln Hotels Limited being Stanwell representatives. The six Directors of Lincoln Hotels Limited are as follows:-

- | | |
|------------------------|--|
| Chairman and Director | - Harold Shackleton,
Beaumont Cross House, Newark-on-Trent,
Notts., England. |
| Secretary and Director | - William Epton,
2 Bank Street, Lincoln, Notts., England. |
| Director | - C. Douglas Cameron,
29 DeForest Road, Toronto, Ont., Canada. |
| Director | - Geoffrey C. Teuten, Adlington House,
The Barton, Cobham, Surrey, England. |
| Director | - Alex G. Fisher,
Corner Lawrence Ave. East & Bridle Path,
R.R.#1, Don Mills, Ontario, Canada. |
| Director | - Charles Orenstein,
Penthouse Suite, 121 Richmond St. West,
Toronto, Ontario, Canada. |

FINANCIAL STATEMENTS

STANWELL OIL AND GAS LIMITED
Balance Sheet
as at September 30, 1961

ASSETS

Current Assets:

Cash	283,113.57	
Bank Deposit Receipts	500,000.00	
Accounts Receivable	30,054.07	
Refundable Deposit	425.00	813,592.64

Investments, at cost:

Marketable shares of a Hotel Corporation in England (Market value \$294,000.00)	281,042.85	
Marketable shares of an oil company (market value (\$352,575.00))	460,687.08	
Other common share of mining & oil companies	12,001.00	753,730.93

Capital Assets

Petroleum and natural gas leases and reservations (at valuation adopted at the time of recapitalization in 1952, plus additions at cost)		
Producing -	37,543.10	
Non producing -	844,100.65	881,643.75
Producing Well Costs	364,993.50	
	1,246,637.25	
Less: accumulated depletion & amortization	274,012.71	
	972,624.54	
Plant & Equipment, at cost	155,953.46	
Less: accumulated depreciation	105,560.66	50,392.80
		1,023,017.34

Deferred Expenditures & Other Assets:

Deferred exploration, development and administrative expenditures, (seeschedule attached)	1,244,110.44	
Inventory of well supplies, at cost	7,802.60	
Sundry Advances	12,517.29	
Less: doubtful accounts	10,298.29	2,319.00
Prepaid Insurance	202.50	
Incorporation & recapitalization costs	12,380.87	1,266,715.41
		3,857,056.32

LIABILITIES

Current Liabilities:

Accounts Payable	296,119.33
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Capital:

Authorized - 4,000,000 shares Par value \$1.00 ea.		
Issued as fully paid 3,733,334 shares	3,733,334.00	
Deduct: - discount less premium of \$150,000.00	160,000.00	
	3,573,334.00	
Deficit - (representing loss on disposal of investments prior to January 1, 1959)	12,397.01	3,560,936.99
		3,857,056.32

APPROVED ON BEHALF OF DIRECTORS

DIRECTOR

DIRECTOR

STANWELL OIL & GAS LIMITED

Statement of deferred exploration, development
and administrative expenditures
For nine month period ended September 30, 1961

WELL DRILLING COSTS - ABANDONED WELLS:

Balance, December 31, 1960
Additions during year

346,063.41
32,902.69 378,966.10

SURRENDERED LEASES & RESERVATIONS:

Balance, December 31, 1960
Additions during year

308,327.40
Nil 308,327.40

ABANDONED MINING CLAIMS:

Balance, December 31, 1960

95,584.50

OTHER EXPLORATION, DEVELOPMENT AND
ADMINISTRATIVE EXPENDITURES:

Balance, December 31, 1960
Additions during year:

494,876.09

Petroleum and natural gas
exploration and development costs, -
Lease Rentals & Government fees
Geologists' fees & expenses
General surface exploration
Miscellaneous expenses

9,993.83
632.25
7,762.70
25.00

18413.78

Expenditures in connection with
examination of other properties

794.66

Administrative expenditures,

Legal & Audit fees
Accounting & secretarial fees
Directors fees of \$800.00
plus expenses
Share issue and transfer expenses
Shareholders' information &
meeting expenses
Travelling
Office and General Expenses
London Office expenses

4,070.20
8,100.00
4,617.93
1,467.54
1,952.76
3,297.05
2,319.23
1,719.02

27,543.73

46,752.17

Less: - Revenue from oil production
after royalties & operating
costs
- Revenue from natural gas
and by products after
royalties and operating
costs
- Interest income

47,144.53

12,220.40
21,030.89

80,395.82

(33,643.65) 461,232.44

1,244,110.44

STANWELL OIL & GAS LIMITED
Source and Application of Funds
Nine Month Period
Ending September 30, 1961

Source of Funds:

Income from Production, after Royalties & Operating Costs during the period	80,395.82	
Net Income on Disposal of Inventory Supplies	<u>833.83</u>	81,229.65

Application of Funds:

Exploration and Development Costs, Oil & Gas	19,208.44	
Abandoned Well Costs, Drilled during period	32,902.69	
Administrative Expenditures During Period	27,543.73	
Purchase of Oil Leases	965.88	
Purchase of Additions to Plant & Equipment	518.00	
Prepayment of Insurance Premiums	202.50	
Purchase of Investments (Lincoln Hotels Limited)	<u>281,042.85</u>	<u>362,384.09</u>
Net decrease in Working Capital		<u><u>281,154.44</u></u>

CHANGES IN WORKING CAPITAL

Increases:

Increase in Cash (including Bank Deposit Receipts)	22,473.04
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Decreases:

Decrease in Accounts Receivable	15,598.20	
Increase in Accounts Payable	<u>288,029.28</u>	<u>303,627.48</u>
Net decrease in Working Capital		<u><u>281,154.44</u></u>

LINCOLN HOTELS LIMITED

Balance Sheet as at 31st October 1960

[illegible]

LINCOLN HOTELS LIMITED

Profit and Loss Account for the year ended
31st October 1960

1959	£	£		£	£
			TRADING PROFIT, including £3,000 Interest on short-term deposits		
			and before deducting the items below		18,549
30,384		2,565	Amount written off Motor Vehicles and Equipment	669	
			Directors' Emoluments—		
		450	Fees	400	
		1,350	Management Services	450	
		315	Audit Fee	190	
4,680					1,709
25,704			Profit before Taxation		16,840
			Taxation based thereon (Note 4)		
		2,600	Profits Tax	2,000	
		11,103	Income Tax	5,014	
		13,703		7,014	
		500	Less Over-provision in previous year	829	
13,203					6,185
12,501					10,655
4,495			Amount brought forward from previous year		6,427
16,996					17,082
		4,750	GENERAL RESERVE appropriation proposed	4,250	
			DIVIDENDS paid and proposed:—		
		1,225	Preference Dividend paid for the 10 months to 31st August 1960,		
			less Income Tax	1,021	
		4,594	Ordinary Dividend of 17½% proposed for the year, less Income Tax	5,359	
10,569					10,630
£6,427			Amount carried forward of Unappropriated Profits		£6,452

LINCOLN HOTELS LIMITED

NOTES ON ACCOUNTS
Year ended 31st October 1960

1. CAPITAL

In accordance with Special Resolution No. 4 passed at the meeting on 14th March 1960, the capital of the Company was reduced from £140,000 to £50,000 by the return of the whole capital paid up on the 40,000 Preference Shares (formerly Stock Units) of £1 each and the return of 6d. on each of the 2,000,000 Ordinary Shares (formerly Stock Units) of 1s. each, reducing the nominal amount of each such share to 6d. By Special Resolution No. 5 every two shares of 6d. each were consolidated into one share of 1s., and converted into Ordinary Stock (£50,000 in 1,000,000 Units of 1s. each) and the Authorised Capital was increased again to £100,000. The £50,000 of Ordinary Stock resulting from this subsequent increase remains unissued.

2. CAPITAL RESERVES

General:	£	£
Profit on Realisation of the freehold of the Saracen's Head Hotel, Lincoln, less losses on the realisation of furniture and equipment from that hotel, and costs	28,677	
Applied in Distribution to Shareholders of Capital profit, in accordance with Special Resolution No. 3, 14th March 1960	25,000	
Costs of Capital Reorganisation	3,677	
	746	
	2,931	
Amount brought forward at 31st October 1959	13,066	15,997
Surplus on Revaluation		
Surplus of Valuation (made by Messrs. Henry Spencer & Sons in July 1960) over previous book value of remaining Freehold Properties, less deficit on revaluation of furniture and equipment and less costs of valuation		24,608
		£40,605

3. FIXED ASSETS

The comparative figures for 1959 in respect of fixed assets show the cost and amounts written off prior to the realisation of the premises, furniture and equipment of the Saracen's Head Hotel. The 1960 figures incorporate the revaluations of premises, furniture and equipment made by Messrs. Henry Spencer & Sons during the year and the accumulated amounts written off include depreciation on motor vehicles, which were not revalued, and on plant subsequent to the valuation. Freehold premises and Furnishings are maintained out of Revenue and all replacements are charged to Revenue.

4. TAXATION

The estimated charge for Income Tax is materially reduced as a result of Balancing Allowances on the realisation of Equipment from the Saracen's Head Hotel.

REPORT OF THE AUDITORS TO THE MEMBERS
OF
LINCOLN HOTELS LIMITED

We have audited the annexed accounts and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books. We have examined the above Balance Sheet and annexed Profit and Loss Account which are in agreement with the books of account. In our opinion and to the best of our information and according to the explanations given us, the said accounts and notes give the information required by the Companies Act 1948 in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st October 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

J. S. STREETS & CO.
Chartered Accountants, Auditors

10. Brief statement of company's chief development work during past year.	In partnership with British American Oil Co., Stanwell drilled a dry well to a depth of approximately 5,400 ft. in the Ewing Field, south of the Erskine, Area in the Province of Alberta. Sections 27 and 28 in Twp. 39, RGE 21-W4M in the Prov. of Alberta, jointly held by Stanwell with B.A. Oil and Inter-Rock Oil, were farmed out to Hunt Oil Co. who earned a 50% interest in the two sections by the drilling of an oil well which turned out to be the largest reef discovery in Alberta since 1958. Drilled an unsuccessful test well jointly with B.A. Oil in LSD.4, Section 28 in Twp. 39, RGE 21-W4M in Alberta. Drilled an unsuccessful test well near Port Lambton in South Western Ontario, in partnership with Anchor Petroleum Limited.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Item 1 -- Schedule "A". on page 2.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Item 1 -- Schedule "A". on page 2.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	457,500 shares - Earnshaw, Haes & Sons, 28 Throgmorton Street & Stock Exchange London, E.C.2, England. 207,230 " - Jenkin Evans & Co., Ltd., 360 Bay Street, Toronto, Ontario. 104,375 " - Robert Benson Lonsdale & Co. (Canada) Ltd., Aldermanbury House, Aldermanbury Square, London, E.C.2, England. 102,200 " - Bay & Co. No. 2 A/C, c/o Bond Dept., Imperial Bank of Canada, Toronto, Ontario, beneficially owned by M. Moss, Director. 81,100 " - P.N. Kemp - Gee & Co., 20 Copthall Avenue, London, E.C.2, Eng. To the knowledge of the Company, we do not know who are the beneficial owners of the shares listed above, except those of M. Moss.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The present Board of Directors, with C. Douglas Cameron as President, have been able to obtain proxies from Shareholders in sufficient number to have effective control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	We own 400,000 shares of Sarcee Petroleum Ltd. which cost \$460,000.00. Present market - \$352,575.00 \$500,000.00 Royal Bank of Canada 2 1/4% Deposit Receipts. 75,000 shares of Flamingo Oils Ltd. (escrowed) which are carried at a value of \$12,000.00. 47,135 shares of Norfield Lines Ltd. which are carried at a value of \$1.00.
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Proposal as detailed in Toronto Stock Exchange Filing Statement #348, accepted for filing Aug. 20th, 1959. Certain matters concerning State of Florida zoning regulations have now been settled to Stanwell's satisfaction and the proposal is currently under consideration for some final disposition.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Stanwell has been, and intends to continue as, primarily an oil and natural gas company, as evidenced by its annual income from the sale of these products, its land holdings in Western Canada, and investment in a large block of the shares of Sarcee Petroleum Ltd. The shares of Stanwell are not in primary distribution.

CERTIFICATE OF THE COMPANY

DATED 20th September, 1961.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"C.D. Cameron"

"E.F. Furniss"

C. D. Cameron

CORPORATE
SEAL
PRESIDENT:

CERTIFICATE OF UNDERWRITER OR OPTIONEE

SECRETARY-TREASURER:

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)